

This letter discusses whether a game qualifies as bingo. See 230 ILCS 25/2. (This is a GIL.)

August 19, 2003

Dear Xxxxx:

This letter is in response to your letter dated February 6, 2003. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

I have an application from a local not-for-profit organization to hold raffle. From the application and speaking to the applicants, this is not your normal raffle. I have consulted the Illinois Revised Statutes and the Vice Unit of the County Sheriffs Police. I have not been able to determine if this is a raffle by State Statute definitions. I'm hoping that you can provide me with the assistance in determining the legality of this raffle.

I will attempt to explain how this so-called raffle works.

There are seventy-five numbers of which twenty-four are randomly selected by hand. A player would then select a level of play, \$.25 or \$.50 per card. The player would then be given a paper card. This card looks just like a Bingo card minus the word Bingo on it. The player then proceeds to check the card for the numbers drawn and marks them should they appear on his card. If the numbers marked make a certain design, of which there are approximately fifteen, the player wins. The winnings range from \$.05 to \$4,000.00 depending upon the design made.

A company called AAA has put this game onto a computer hard drive to shorten the playing time. The twenty-four numbers selected would be entered into the computer program. The player would sit at a computer monitor that is touch activated, and play up to four cards at a time. The computer would check the cards for any matching numbers and advise the player if there are any winning cards. When the player decides to stop playing and has any winnings to collect they touch a box on the monitor called 'Cash Out.' The player proceeds to the attendee and hands them a receipt they received when they first registered to play. On that receipt is a number that was assigned to them that they entered on the monitor they were playing at. The attendee enters that number and another receipt is printed with the amount of winnings printed on it.

The player has the choice of playing the paper cards or the computer. I have concerns concerning the computer program limiting the numbers of winners by selecting cards that do not have the numbers selected. Not only does the player have to have some of

the numbers selected but, those numbers have to be in the proper place to make a design.

I was told by a representative of AAA that there are only thirty of these such games being operated at this time in the United States. There is supposed to be one in CITY, Illinois. That one is supposed to be in an establishment that runs regular Bingo games.

I hope that I have explained this so that you can understand how this is operated. If you have any questions, please do not hesitate to contact me.

Any assistance that you can provide in determining the legality of this so-called raffle would be greatly appreciated.

The Department of Revenue does not administer the Raffles Act. As a result, we have no authoritative opinion regarding whether the game described is a raffle. However, the Department does administer the Bingo License and Tax Act, 230 ILCS 25/1 et seq.

The game described in your letter does not qualify as bingo. Bingo must be conducted by charitable organizations licensed for bingo by the Department of Revenue. The Bingo License and Tax Act sets forth how the games are to be conducted. Section 2 of the Bingo License and Tax Act provides limits for the number of games that can be played in one day. It also limits the aggregate retail value of all prizes or merchandise awarded in any one game and any single day for Bingo. It appears that the game you describe can be played indefinitely. This would not be possible under the Bingo License and Tax Act. The \$4,000 prize you described would also be over the limits for bingo.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

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